

## PUBLIC WORKS

### BUDGET UNIT: SOLID WASTE MANAGEMENT OPERATIONS (EAA SWM) RECYCLING PROGRAMS (EWE SWM)

#### I. GENERAL PROGRAM STATEMENT

The Solid Waste Management Division (SWMD) is responsible for the operation and management of the County of San Bernardino's solid waste disposal system, which consists of 6 regional landfills, 8 transfer stations, oversight and/or post-closure maintenance at 28 inactive or closed landfills and waste disposal sites throughout the County. SWMD provides scale operations and maintenance; accounts payable/receivable; engineering, design, and construction management; and education and waste diversion. SWMD provides oversight, direction, guidance and control of the contractor, Burrtec Waste Industries, Inc. (Burrtec), for the daily operations of the County's active landfills, transfer stations, and maintenance of the inactive and closed landfills. In its contract administrative role, SWMD provides both general and specific direction to Burrtec in implementing County policies and procedures pertaining to the operations of the county's solid waste system. SWMD also monitors Burrtec's performance under the contract. SWMD maintains direct coordination with all regulatory agencies and liaison activities with customers, including cities, refuse haulers, and citizens. In addition, SWMD receives State and Federal grant monies, county and private industry matching funds to be used to further the education and usage of methods of waste reduction, reuse and recycling.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2000-01</b>	<b>Budget 2001-02</b>	<b>Estimated 2001-02</b>	<b>Budget 2002-03</b>
Total Operating Expense	38,858,578	36,971,385	40,268,793	41,939,524
Total Revenue	38,170,628	37,539,702	41,995,495	43,442,842
Revenue Over (Under) Exp	(687,950)	568,317	1,726,702	1,503,318
Fixed Assets	139,633	-	47,465	223,965
Budgeted Staffing		59.4		62.3
<b><u>Workload Indicators</u></b>				
Total Tonnage	1,016,979	988,019	1,088,700	1,313,700
Single Family Residence	81,755	82,153	81,755	81,755
Active Facilities	14	14	14	14
Inactive Facilities	27	27	28	28

2001-02 estimated expenses and revenues are approximately \$3.3 million and \$4.4 million respectively more than budget. This overage is primarily due to an increase in the amount of solid waste brought into the county landfill system for disposal. On March 19, 2002, the Board of Supervisors approved a provision of the operations contract with Burrtec allowing for the recovery of up to 300,000 tons annually of in-county waste that had been previously taken out-of-county for disposal. The cost and revenue impacts associated with this additional waste are included in the 2001-02 estimates and the 2002-03 proposed budget.

#### III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

##### **STAFFING CHANGES**

SWMD is proposing a 2.9 increase in budgeted staffing. Of this increase, 1.0 Scale Operator is needed to assist SWMD with providing sufficient coverage at its various scale houses; 1.0 Accountant I is needed because SWMD's accounting functions have grown beyond the capacity of current staff; and 0.9 is being added for additional overtime for existing staff.

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### **PROGRAM CHANGES**

As mentioned above, in March 2002 the Board approved an amendment to the Burrtec agreement allowing for the delivery of between 250,000 and 300,000 tons of in-county waste into the county's disposal system. Under this amendment, Burrtec is charged a \$20.50 per ton disposal fee on the additional waste received. This rate is less than the rate charged to Waste Disposal Agreement (WDA) cities. To compensate the WDA cities, the County agreed to split approximately \$2,000,000 of net revenue generated from receipt of the waste. Under this approach, the County keeps \$1,000,000 to aid funding of solid waste capital projects, while the other \$1,000,000 is allocated to the WDA cities for their use.

### **OTHER CHANGES**

SWMD's 2002-03 budget contains the impact of changes in accordance with contractual agreements with the fifteen Waste Delivery Agreement (WDA) cities. For the upcoming fiscal year, the WDA refuse fee will be increased by \$0.22/ton for inflationary costs, producing an additional \$156,110 in annual revenue for SWMD. In addition, this budget contains changes in accordance with the operations contract with Burrtec. The rate for in-county waste received will increase by \$0.92/ton for inflation. This increase will generate added revenue in the amount of \$276,000 per year.

## **IV. POLICY ITEMS**

None

## **V. FEE CHANGES**

On April 16, 2002, the Board of Supervisors approved an urgency ordinance increasing septic waste from 4.4 cents/gallon to 7.2 cents/gallon. This increase was needed to provide revenues for the cost of extracting liquids from the septic ponds at the Barstow and Landers landfills. This increase would eventually produce sufficient funds for the construction of an additional pond at the Landers landfill. The urgency ordinance will expire on July 31, 2002. The SWMD is recommending that the Board of Supervisors permanently approve the fee increase of 2.8 cents/gallon. The cost of \$567,840 to extract liquids from the septic ponds has been included in SWMD's 2002-03 budget. If this fee change is approved, revenues in the amount of \$317,436 will be added to this budget to partially offset the cost of extraction. SWMD is also proposing to increase the ordinary refuse fee by \$0.22/ton. Since the refuse fee for the WDA cities was increased by \$0.22/ton, this adjustment is warranted in order to maintain parity between disposal fees. If approved, this adjustment would produce additional revenues in the amount of \$66,906 per year. For more detail of these fee revisions, see the attached "Revised/New Fee Request" form.

GROUP: Economic Development/Public Services  
DEPARTMENT: Public Works  
FUND: Solid Waste Operations EAA SWM  
Solid Waste Recycling Program EWE SWM

FUNCTION: Health & Sanitation  
ACTIVITY: Sanitation

## ANALYSIS OF 2002-03 BUDGET

	A	B	C	D	B+C+D E	F	E+F G	H
	2001-02 Year-End Estimates	2001-02 Final Budget	Base Year Adjustments	Mid-Year Adjustments	Board Approved Base Budget	Recommended Program Funded Adjustments	2002-03 Proposed Budget	Policy Items/Fee Adjustments
<b>Appropriations</b>								
Salaries and Benefits	2,841,165	3,180,581	127,279	-	3,307,860	119,758	3,427,618	-
Services and Supplies	24,319,667	26,054,111	19,315	-	26,073,426	(267,790)	25,805,636	384,360
Central Computer	15,700	7,720	21,158	-	28,878	-	28,878	-
Other Charges	7,984,809	7,728,973	-	-	7,728,973	(1,021,691)	6,707,282	-
Transfers	<u>5,107,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,970,110</u>	<u>5,970,110</u>	<u>-</u>
Total Operating Expense	40,268,793	36,971,385	167,752	-	37,139,137	4,800,387	41,939,524	384,360
<b>Revenue</b>								
Licenses & Permits	1,246,295	660,211	-	-	660,211	109,789	770,000	-
Taxes	6,893,827	6,914,858	-	-	6,914,858	(24,358)	6,890,500	-
Use of Money & Prop	107,699	109,725	-	-	109,725	52,275	162,000	-
Current Services	33,075,052	28,754,322	167,752	-	28,922,074	4,931,152	33,853,226	384,360
Other Revenue	<u>672,622</u>	<u>1,100,586</u>	<u>-</u>	<u>-</u>	<u>1,100,586</u>	<u>666,530</u>	<u>1,767,116</u>	<u>-</u>
Total Revenue	41,995,495	37,539,702	167,752	-	37,707,454	5,735,388	43,442,842	384,360
Revenue Over(Under) Exp	1,726,702	568,317	-	-	568,317	935,001	1,503,318	-
<b>Fixed Asset Exp</b>								
Improvements to Land	-	-	-	-	-	15,000	15,000	-
Equipment	<u>47,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,965</u>	<u>208,965</u>	-
Total Fixed Asset Exp	47,465	-	-	-	-	223,965	223,965	-
Budgeted Staffing		59.4			59.4	2.9	62.3	

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### Base Year Adjustments

Salaries and Benefits	127,279	MOU, retirement adjustment, step and equity increases
Services and Supplies	19,315	Risk management liabilities rate increase
Central Computer	21,158	
Total Operating Expense	<u>167,752</u>	
Total Revenue	<u>167,752</u>	To offset above increases in appropriations
Total Rev Over(Under) Exp	<u>-</u>	

### Recommended Program Funded Adjustments

Salaries and Benefits	<u>119,758</u>	Increase for the 2.9 additional staff
Services and Supplies	430,556	Cost to operate scale houses (operations, maintenance & equipment)
	50,000	Land use pass production and distribution cost
	(5,134,000)	Expenses moved to transfers per GASB 34 requirements
	431,068	Burrtec operations increase for additional standard tonnage and inflation
	372,604	Burrtec excess tonnage payment for 2002
	1,980,000	Burrtec operations payment for Article 19 solid waste - 300,000 tons
	567,840	Septic ponds liquids extraction
	257,500	County recycling/recovery programs
	159,000	9,000 ongoing building maintenance and 150,000 for floor repair, new carpet and paint
	75,000	Consultant services for the California Integrated Waste Management Plan submission
	332,070	Increase in bond debt principle (offset by reduction in interest)
	82,879	Educational program materials for waste reduction reuse and recycling
	127,693	All other increases in this category
	<u>(267,790)</u>	
Other Charges	(347,710)	Reduction in bond debt payment to interest (see principle increase)
	564,377	AB 939 fees - increase for additional standard tonnage and Article 19 tonnage
	<u>(1,238,358)</u>	Host community fees moved to new enterprise fund (EWD) resulting from GASB 33
	<u>(1,021,691)</u>	
Transfers	134,000	For ED/PSG Administration charges. Moved from services and supplies.
	5,000,000	Transfer to general fund moved from services and supplies.
	<u>836,110</u>	Additional transfers to EAC to fund projects (\$786,110) and added legislative services (\$50,000)
	<u>5,970,110</u>	
Total Operating Expense	<u>4,800,387</u>	
Revenues		
Licenses & Permits	<u>109,789</u>	Increase for waste permits and franchise service per contracts
Taxes	<u>(24,358)</u>	ESFR's did not increase as projected for 2002
Use of Money & Prop	<u>52,275</u>	Increase in interest revenue for daily average account balance
Current Services	<u>4,931,152</u>	Increase in standard waste tonnage (\$2.5 million) and Article 19 tonnage (\$2.4 million)
Other Revenue	(190,983)	Reduction for previous years sale of Victorville Yard
	(784,302)	Reduction for no sales proceeds from heavy equipment
	(120,301)	Reduction of miscellaneous revenue
	82,879	Department of Conservation funding for recycling education programs
	1,679,237	Carry-over of unspent funds from prior fiscal year
	<u>666,530</u>	
Total Revenues	<u>5,735,388</u>	
Rev Over(Under) Exp	<u>935,001</u>	
Land/Improvements	15,000	Purchase of three weather stations for Big Bear, Mid-Valley and Victorville sites
	25,965	Replacement plotter (\$11,200), color laser jet printer (\$8,400) and server (\$6,365)
	50,000	Replace generator at the Barstow Landfill
	28,000	Purchase one Blazer for field staff
	<u>105,000</u>	Purchase three 4x4 trucks for field staff
Total Fixed Assets	<u>223,965</u>	

Staffing Changes						
Classification	Authorized Position Changes	Budgeted FTE Changes	Program/Reason	Request Type	Temporary/ Ongoing	
Accountant I	1	1.00	Accounting duties in Support Section	Regular	Ongoing	
Scale Operator	1	1.00	Scale House duties in Operations Section	Regular	Ongoing	
		0.90	Overtime			
Total:	2	2.90				